UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS

The HipSaver Company, Inc.	,) Plaintiff,)	
v)	
J.T. Posey Company,	Defendant)	Civil Action No. 05-10917 PBS
J.T. Posey Company, Inc., Counter) erclaim Plaintiff)	
V)	
The HipSaver Company, Inc. Edward L. Goodwin, Counter	and) erclaim Defendants)	

PLAINTIFF'S ASSENTED-TO MOTION FOR LEAVE TO FILE A REPLY IN FURTHER SUPPORT OF ITS MOTION TO AMEND COMPLAINT

Plaintiff The HipSaver Company ("HipSaver") moves, pursuant to Local Rule 7.1(B)(3), for leave to file a short reply memorandum further supporting its Motion to Amend The Complaint and addressing arguments raised by defendant in its Opposition to this Motion. HipSaver believes that the reply memorandum, attached hereto as Exhibit 1 will aid the Court in its decision whether to grant leave to Plaintiff to amend its complaint.

Therefore, HipSaver respectfully requests leave of this Court to file the reply memorandum attached hereto as Exhibit 1.

I hereby certify that on December 21, 2005, counsel for the parties conferred by email and that counsel for J.T. Posey assented to this motion.

THE HIPSAVER COMPANY, INC. By its Attorneys,

/s/ Courtney M. Quish Lee Carl Bromberg BBO no. 058480 Edward J. Dailey BBO no. 112220 Courtney M. Quish BBO no. 662288 BROMBERG SUNSTEIN, LLP 125 Summer Street - 11th floor Boston, Massachusetts 02110-1618 617.443.9292 cquish@bromsun.com

Dated: December 22, 2005

02820/00502 454823.1

EXHIBIT 1

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS

The HipSaver Company, Inc., Plai	ntiff,	
V)	
J.T. Posey Company, Def	endant)	Civil Action No. 05-10917 PBS
J.T. Posey Company, Inc., Counterclai) im Plaintiff)	
V))	
The HipSaver Company, Inc. and Edward L. Goodwin, Counterclai	im Defendants)	

PLAINTIFF'S REPLY IN FURTHER SUPPORT OF ITS MOTION TO AMEND THE COMPLAINT

The Defendant's statute of limitations and release claims are groundless. Only after repeated attempts to collect documents through discovery did Plaintiff HipSaver discover a distinct example of Posey's tortious and flagrant false and disparaging statements. These false and disparaging statements were circulated through private e-mail messages sent to individuals at the Veterans Administration, one of the health care industry's leading consumers of fall prevention products. Upon discovering these communications, HipSaver immediately sought leave to amend its complaint to incorporate a claim of product disparagement. The product disparagement claim is timely brought, and leave to amend should be granted under Fed. R. Civ. P. 15(a).

A. HipSaver's Claim is Not Barred By the Statute of Limitations

HipSaver's claim is not barred by the statute of limitations because the e-mail correspondence basis for the new allegation was inherently unknowable until it was produced late in discovery. Defendant Posey produced the e-mail and attachment on November 7, 2005. Plaintiff's attorneys discovered the document on November 17, 2005 and filed a motion requesting leave to amend on December 2, 2005. The statute of limitations under Massachusetts General Laws Ch. 260 s. 2A begins to run only when the prospective plaintiff learns or should have learned that he or she has been injured. Thus, under Massachusetts discovery rule, the limitations period should be tolled where the facts were "inherently unknowable" to the injured party. See Flotech, Inc. v. E.I. Du Pont de Nemours Co., 627 F.Supp. 358, 364 (D. Mass. 1985). Until the e-mail was produced on November 7th, the circulation of this correspondence was completely private and "inherently unknowable" and therefore, the statute of limitations should be tolled and the product disparagement claim should not be barred.

The assertion that HipSaver could have discovered the e-mail subject matter earlier is groundless. Posey's e-mail was sent to three Veteran Administration recipients at the following addresses: Robert.Weaver2@med.va.gov; Dorene.Opava-Rutter@med.va.gov; and, jim.mcfall@med.va.gov. Exh. A, E-mail and attachment dated Friday July 27, 2001. These are private e-mail addresses to which The HipSaver

Company did not and still does not have access. To the best of HipSaver's knowledge, the content of this communication was not published in publicly available media.1

Further, these e-mail addresses do not identify the specific institution at which each of these individuals is employed as Posey's Opposition suggests. In fact, Posey itself has difficulty naming the affiliated institution since it identifies this institution as the "West Los Angeles Veteran's Administration Hospital" where no such hospital exists. Defendant's Opposition, p. 6; See also Exh. B, Veterans Administration Facilities Locator and Directory. Even during a recent deposition taken December 16th, 2005 (the same day that Defendant's opposition was filed), a Posey employee incorrectly identified the institution affiliated with these e-mail recipients as the "West Los Angeles Falls Clinic" No such institution exists by that name. *Id.*

В. HipSaver's Claim Was Not Released by the Settlement Agreement

The terms of paragraph 11 of the Settlement Agreement limit the release to claims which arise from or are related to the false advertising claims under 15 U.S.C. §§ 1125, 1117 and G.L. c.93A, §§ 2, 11:

> Except for the obligations contained in this Agreement, HipSaver releases Posey, and all of its officers, directors, employees, agents, representatives, dealers, distributors, shareholders, attorneys, predecessors, successors, assigns, affiliates, related companies, or corporations connected with them from any and all claims, liabilities or causes of action, known or unknown, fixed or contingent, which arise from or are related to the false advertising claims under 15 U.S.C. §§ 1125, 1117 and G.L. c. 93A, §§ 2, 11 which were asserted or which could have been asserted in the Action for conduct which occurred prior to the date of this Agreement.

1 Posey's marking of this e-mail and attachment as Attorney Eyes Only and its insistence that we file this exhibit under seal illustrates that even Posey considers this document to be protected from and inaccessible to third parties and is further evidence that the document was inherently unknowable.

3

The product disparagement claim does not arise from or relate to false advertising claims under 15 U.S.C. §§ 1125, 1117 and G.L. c.93A, §§ 2, 11. It is an independent cause of action that was not released by the 2004 Settlement Agreement.²

CONCLUSION

HipSaver's recent discovery of this e-mail correspondence created a basis for new allegations that were inherently unknowable to HipSaver before the documents were produced during the discovery period. Thus, in the interest of justice and fairness, HipSaver respectfully requests that this Court grant leave to amend its complaint.

THE HIPSAVER COMPANY, INC. By its Attorneys,

/s/ Courtney M. Quish Lee Carl Bromberg BBO no. 058480 Edward J. Dailey BBO no. 112220 Courtney M. Quish BBO no. 662288 BROMBERG SUNSTEIN, LLP 125 Summer Street - 11th floor Boston, Massachusetts 02110-1618 617.443.9292 cquish@bromsun.com

Dated: December 22, 2005

02820/00502 454781.1

² To the extent that this Court may determine that the language of this release is ambiguous, the Court has allowed all claims that could have been brought under the broadest interpretation of this Agreement. See generally, Hearing Transcript from HipSaver's Motion to Dismiss. A dispute regarding contract interpretation should not be the basis for denying HipSaver's motion to amend.

EXHIBIT A FILED UNDER SEAL

EXHIBIT B

Department of Veterans Affairs

Facilities Locator & Directory

Home

Browse Facilities > Interactive Map > Department of Veterans Affairs > California

VA Central Offices

National Cemetery Administration (NCA)

· Gravesite Locator

Veterans Benefits Administration (VBA)

Veterans Health Administration (VHA)

Facilities by State

Interactive US Map

Facility Listing



California (View addresses)

National Cemetery Administration

Memorial Service Network

Oakland: Oakland Memorial Service Network

National Cemetery

Gustine: San Joaquin Valley National Cemetery

Los Angeles:

Riverside:

San Bruno:

San Diego:

San Francisco:

Los Angeles National Cemetery

Riverside National Cemetery

Golden Gate National Cemetery

Fort Rosecrans National Cemetery

San Francisco:

San Francisco National Cemetery

Veterans Benefits Administration

Regional Office

Los Angeles: Los Angeles Regional Office
Oakland: Oakland Regional Office
San Diego: San Diego Regional Office

Veterans Health Administration

VTSN

Long Beach: VISN 22: Desert Pacific Healthcare Network

Mare Island: VISN 21: Sierra Pacific Network

VA Medical Center

Fresno: VA Central California Health Care System

Livermore: <u>Livermore</u>

Loma Linda: VA Loma Linda Healthcare System

VA Long Beach Healthcare System

Los Angeles: VA Greater Los Angeles Healthcare System (GLA)

Menlo Park: Menlo Park

Palo Alto: VA Palo Alto Health Care System

Sacramento: VA Northern California Health Care System

San Diego: VA San Diego Healthcare System
San Francisco: San Francisco VA Medical Center

Outpatient Clinic

Atwater: VA Castle OPC

Auburn: Sierra Foothills Outpatient Clinic

Capitola: Capitola Clinic

Chico: Chico Outpatient Clinic
Eureka: Eureka Veterans Clinic

Fairfield: Fairfield Outpatient Clinic

French Camp: Stockton Clinic

Los Angeles: Los Angeles Ambulatory Care Center

Los Angeles: West Los Angeles Ambulatory Care Center

Martinez: Martinez Outpatient Clinic

Modesto: <u>Modesto Clinic</u>

Oakland: Oakland Mental Health Clinic
Oakland: Oakland Outpatient Clinic
Redding: Redding Outpatient Clinic
Sacramento: McClellan Dental Clinic
Sacramento: McClellan Outpatient Clinic
Sacramento: Sacramento Mental Health Clinic

San Diego: Mission Valley

San Francisco: VA 13th & Mission Outpatient Clinic

San Jose: San Jose Clinic

Santa Barbara: Santa Barbara Community Based Outpatient Clinic

Santa Rosa: Santa Rosa Clinic
Seaside: Monterey Clinic

Sepulveda: Sepulveda Ambulatory Care Center

Sonora: Sonora Clinic

Tulare: VA South Valley OPC

Ukiah: VA Ukiah Community Based Outpatient Clinic

Vallejo: Mare Island Outpatient Clinic

Community Based Outpatient Clinic

Anaheim: <u>Anaheim</u>

Bakersfield: Bakersfield Community Based Outpatient Clinic

Brawley: <u>Imperial Valley</u>

Chula Vista: Chula Vista (South Bay)

City of Commerce: East Los Angeles

Corona: <u>Corona</u>
Escondido: <u>Escondido</u>
Gardena: <u>Gardena</u>

Lancaster: Antelope Valley

Lynwood: South Central Los Angeles Community Based Outpa

Clinic

Oxnard: Oxnard
Palm Desert: Palm Desert

San Bruno: VA San Bruno Outpatient Clinic

San Gabriel: Pasadena

San Luis Obispo - Pacific Medical Plaza
Santa Ana - Bristol Medical Center

Sun City:Sun CityUpland:UplandVictorville:VictorvilleVista:Vista

Vet Center

Anaheim: Anaheim Vet Center

Capitola: Santa Cruz County Vet Center

Chico: Chico Vet Center
Commerce: Commerce Vet Center
Concord: Concord Vet Center
Corona: Corona Vet Center
Culver City: Culver City Vet Center

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Eureka Vet Center Eureka: Fresno Vet Center Fresno: Oakland Vet Center Oakland: Redwood City: Peninsula Vet Center Rohnert Park Vet Center Rohnert Park: Sacramento: Sacramento Vet Center San Diego Vet Center San Diego: San Francisco: San Francisco Vet Center

Vista: <u>Vista Vet Center</u>

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